

# Companies cope with harsh winter

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*A. Duie Pyle tractor trailer drivers pull their rigs under the snow scraper in the company lot in West Goshen before pulling out onto the highway.*

It has been a wintry mix of problems for some Chester County companies as they deal with the impact of extreme weather conditions from around the country as well as here at home.

At Kennett-based Exelon Generation, energy traders watch the weather, which plays a big role in energy markets given its direct connection to heating and cooling demand.

Weather forecasting is taken seriously at Exelon Generation, a company that produces and markets energy to customers in the Midwest, Mid-Atlantic and Texas.

“Demand for power in winter must take into account variables of the season such as wind chill, moisture, and others; however, the use of ‘electric resistance heating’ has the greatest impact on power demand during extreme cold weather,” said Walter Kuhn, vice president at Exelon Generation.

Electric resistance heating, for example, is any heating source that is 100 percent electricity driven (versus oil, propane or natural gas) and it typically is used as backup source of heat during extreme cold in southern climates such as Texas, Kuhn explained.

At Exelon, the pressure is on this winter because of the extreme weather conditions, such as what Texas has recently endured.

“While these weather patterns may be rare for that part of the country, we must be ready to meet our electricity supply obligations to our customers during such times of peak energy use,” Kuhn said.

“Determining where the rain/ice/snow lines will set up with each weather event is important information, as we need to prepare for the impact ice has in our areas of operation,” he added.

The key for Exelon traders to manage Exelon Generation’s portfolio most efficiently is the company’s ability to predict extreme temperature events well in advance of their occurrence, Kahn said.

Rusty Amarante, director of operations at Belfor Property Restoration’s West Whiteland office, also has Texas on its radar.

The company is doing a large restoration project there and is taking care of clients hard hit by the extreme

weather in other parts of the country this winter.

“We are so impacted by the weather,” said Amarante, whose company analyzes and restores fire, water and storm damage for private and corporate clients.

“We have tractor trailers all over the country, we have manpower all over the country,” he noted

While the company picks up more work when customers are the victims of a vengeful Mother Nature, it is not a windfall profit for the company.

For Belfor it means “massive amounts” of overtime, putting workers up in hotel rooms so they are closer to the job and, most costly, moving tractor trailers over snowy, icy roads to get to clients’ locations.

“There are higher fuel costs, overtime and travel time,” Amarante said. “What usually takes a half hour is now three hours. Costs go up considerably.”

This year the angst spreads from snow and ice in Massachusetts, New York and New Jersey to the rare snow and cold in Texas. And then there is the “crazy” deep freeze in Colorado that last week resulted in an outbreak of frozen, broken water pipes, Amarante said.

Besides the extra costs, the extreme weather takes its toll on workers, the operations director said.

Trucking company A. Duie Pyle in West Goshen knows all about bad, snowy roads this winter.

In New England they have more snow than they know what to do with, said Stephen O’Kane, Pyle president. The more it snows and the more road crews plow, the narrower the roads get.

By the end of last week, there were roads in Rhode Island and Connecticut not wide enough for Pyle tractor trailers to make turns, O’Kane said. That means alternate routes and increased delivery times.

O’Kane said he watches the weather forecasts closely and has conference calls set up with the managers of the company’s other locations to “get our game plan together. Each area collects its own (weather) data so we can safely and successfully make deliveries for our customers.”

Recent extreme weather in the Delaware Valley has impacted some local companies, as well.

Aqua America Inc. said the \$1.3 billion capital program it executed over the last five years has helped buffer the impact of cold-weather-related main breaks in its distribution systems and likely prevented even more main breaks than the company experienced.

“While southeastern Pennsylvania experienced twice the normal number of main breaks (185) in December, none of the breaks occurred on the ductile iron pipe that Aqua has continued to use for its replacement program since the early 1970s,” said Aqua America Chairman Nicholas DeBenedictis.

The majority of the breaks Aqua America companies reported were in cast iron pipe, with some occurring on pre-1920 cement mains. Old pipes continue to be primary targets for replacement under the company’s pipe replacement program, the company reported.

When the deep freeze hit Jan. 25 between 6 and 10 a.m., AAA Mid-Atlantic responded to 1,014 requests for roadside assistance – compared to just 494 on the same date in 2010.

Of the 1,014 calls, more than 400 were for batteries.

“When temperatures plummet, automotive failures skyrocket. We know that the severe cold will cause calls to AAA for jump starts and frozen locks to increase tremendously,” said Rick Remington, manager of government affairs for AAA Mid-Atlantic.

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